

South Wellington Coin Society

Volume 1 Issue 7

Nov. 5, 1997

Forward

Welcome to another issue of the SWCS news letter. This month we recap the highlights of the October gathering and feature an article on the P.E.I. 'holey dollar' by our President Scott Douglas. A thanks goes out to Richard McClean for also supplying information on this topic.

The SWCS in October

In welcoming us to the October meeting, Scott Douglas reminded us of coin month and encouraged us to spread the word on the SWCS so we can continue to build up our membership numbers. This month we welcomed another new member to our ranks, Gord Nichols. Gord is well versed in the field of tokens. Members were also treated to another venture into the world of numismatic literature as Scott gave us a brief tour of the *John J. Pitman catalogue Part I*. This book includes some very prestigious precious and documents where they were bought and what was paid for them (in fact the catalogue alone will set you back \$50). In keeping with the educational value of the SWCS Scott ran a brief inservice on cleaned coins with an example of a chemically cleaned '32 cent. Bob Zmija and Scott are still working behind the scenes on the production of our first medal. Bob has taken some photographs of the museum which are now in the hands of the engravers who will use them to embellish our design.

Tall Tales, X-Files and Holey Dollars - Show and Tell at the SWCS

Relapses of childhood memories were aroused as we held a show and tell at October's gathering. With several members bringing in coins we ended up with a curious bunch of pieces. In some cases the story behind the coin was as interesting as the coin itself. There were

also some 'X-Files' where members showed coins that they had difficulty identifying. We even managed to stump our new 'token guy' with one of these unexplained pieces. The highlight of this event was the P.E.I. 'holey dollar' that Richard McClean brought in. Scott encouraged us to take a look at the piece because we may never see another. This is a coin that Brian Cornwell wouldn't even grade without a second opinion. Somehow, all of this led us into a discussion on collecting trends. It was indicated that paper money is hot now with rare pieces being a good buy if you could get them at catalogue price. But, there is a myriad of other curiosities out there and we should not be afraid to 'go against the grain'.

October's Auction

The auction opened strongly with spirit bidding for the Jamaican \$10 silver proof. There was also interest in the 1965 T3 silver dollar as one enthusiastic bidder ignored the \$3.75 reserve and opened the bidding at \$6.00. For the most part there were some easy pickings as the smaller turnout left little competition and some very good deals were had.

Mathew Fleet - Editor

November's Speaker: **Mr. Len Trakalo**

Mr. Trakalo, aside from being one of the most knowledgeable numismatists I know, is a "COINSHOOTER." Armed with his trusty metal detector, as well as a display of some of the loot he has found, Len will open the door to the very interesting world of the Treasure Hunter. Be sure to attend what I believe will be a most fascinating experience.

Scott E. Douglas - President

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The Holey Dollar and Dumps

Isle St. Jean (P.E.I.) was discovered and named in 1534 by Jacques Cartier who claimed the island for France. The island was attached to the French colony of Acadia. When Acadia, along with Newfoundland, ceded to the British in 1711 the French retained Isle St. Jean and Cape Breton Island using Acadian refugees and French colonists from Newfoundland to colonize. Both islands were ruled by France until 1763 when France lost all North American colonies excepting St. Pierre and Miquelon.

Acadia, now renamed Nova Scotia, consisted of Isle St. Jean, Cape Breton Island and Acadia. Isle St. Jean separated in 1770 and was renamed Prince Edward Island in 1798 in honour of Queen Victoria's father, the Duke of Kent.

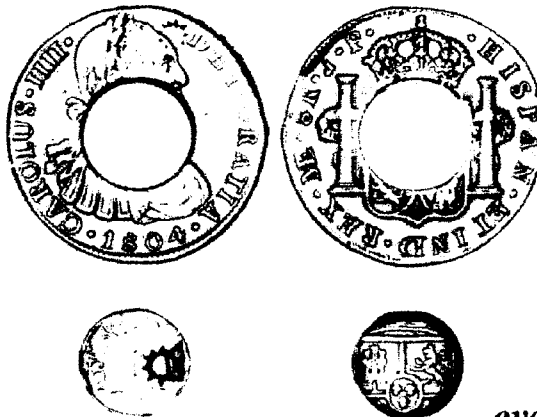
During the period of 1813-1824 the island was governed by one Charles Douglas Smith. It would seem that Smith was an autocrat in every sense of the word. He was not able or willing to work with the members of the Legislature, having called them together only four times during his tenure. All four sessions were very short and stormy. The rest of his rule was according to his personal iron will until eventually the farmers of the island had enough and brought their grievances to the 'foot of the throne' so to speak. A short while later Smith 'resigned.'

It was during Smith's 'reign' that one of Canadian Numismatics most interesting items came to exist.

Prince Edward Island, like most out of the way colonies, suffered from a lack of local currency, especially the pieces required for small transactions. It seems that local merchants were insistent on payment in coin but would refuse to pay out in coin, instead supplying goods at their own extortionistic rates. In this way they were to control the economy and the political atmosphere of the colony.

Governor Smith took it upon himself to alleviate this situation. Smith was aware that the Spanish milled dollar, minted from the silver of Mexico's mines, had been used in other small colonies such as Antigua, Barbados, Dominica, Jamaica and New South Wales to meet similar currency shortages. In 1813, completely on his own and without consulting the Island Legislature, Smith ordered 1000 of the 'pieces of eight' in the Treasury to be cut into two parts by punching out the center portion, which was to become known as the 'dump' (button or plug), giving it a value of one shilling while the outer 'ring' would pass for five shillings. In order to distinguish the new currency from that of similar pieces issued elsewhere Smith had both the 'ring' and the 'dump' counterstamped with a 'sunburst.' On the 'ring' the mark appears at the forehead of King Charles IV on the obverse and is located on the King's throat on the 'dump.'

The 'Holey' dollars and 'dumps' had become an instant success. Forgeries, however, were to be found in circulation almost immediately. This caused the Governor to have to recall the popular 'Holey' dollars from circulation after only one year. Smith refused to redeem any of the dollars that did not bear the legitimate mark of the Treasury. The merchants, being the forgers, agreed amongst themselves to continue to accept the cut dollars at the value of the genuine pieces in order to avoid loss. This caused the 'Holey' dollar to become a private merchant's token. These 'tokens' continued in use until about 1823 and so must have had the blessing of the population.



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Today, the 'rings' are quite scarce and very difficult to distinguish, at times, between the legitimate Treasury issues and the forgeries. Original 'Holey' dollars bear the 'sunburst' countermark with 10 points of equal size. The merchant forgeries bear a mark of irregular style, sometimes with 11 points not always of equal size. The dates for both original and counterfeit are 1784-1811. During the 1960's and 1970's a larger than usual group of 'Holey' dollars appeared making one cautious as to authenticity. Some numismatists today do not feel that a distinction is necessary and that both are equally scarce and equally relevant. This, of course, is up to the individual. The 'dumps' however, are very rare. In searching through forty years of auction catalogues the 'rings' appear periodically while the 'dumps' almost never (I could only find two). An explanation for the rarity of the 'dump' came to light in an article by Edward Bayfield in The Prince Edward Island Magazine in March of 1899....."Dwelling in Charlotte a canny Scotchman, Mr. Birnie by name, had discovered that Governor Smith had cut the center portion too large, and that it contained more than a shilling's worth of pure silver. He carefully collected all the "dumps" that he could lay his hands on, and when the supply ceased he sent what he had collected to England to be sold for old silver. The ship on which his consignment was being carried never reached her destination and Mr. Birnie's carefully hoarded dumps now lie beneath the tossing billows of the Atlantic. Whether they were insured we do not know; it is doubtful if they were at that period, so in all probability Mr. Birnie's carefully-thought-out scheme did not yield that profit on which he had planned." This story was refuted by Mr. Fred Pridmore in an article in 1960 which stated that the 'dumps' were overweight by threepence each. Since 1000 pieces were made that would cause an excess value of 12 pounds/10 shillings which would not even pay the shipping costs. It

was also revealed that Birnie was on business in England during the entire year the 'Holey' dollar circulated. Even so, one cannot dismiss the fact that the 'dumps' are indeed quite rare. No other explanation at this time exists.

The P.E.I. Holey dollar is just one more example of the unusual and historically important coinage of Canada. It can lay claim to being able to reside in many types of collections including; countermarked coinage, the Spanish-American series, Emergency issue, semi-official coinage of P.E.I. and a private merchant's token. No other Canadian coin or token can claim to be a part of so many different collecting interests.

Scott E. Douglas -President

South Wellington Coin Society

c/o Box 61 RR 4 Rockwood ON NOB 2K0

MEETINGS

7:30 on the first Wed. of every Month
at the Eramosa Community Library (Rockwood)

1997-1998 EXECUTIVE

Scott E. Douglas - President and Auctioneer
519-853-3812

Tony Zmija - Vice President and Auctioneer
519-856-2285

Bob Zmija - Treasurer - 519-853-0868

Mike Hollingshead - Spokesperson
519-823-COIN

Newsletter Editorial Team
Mathew Fleet, Mike Hollingshead
Bruno Kerkhof - Email: bkerkhof@followrme.com
Auction Runner - Vince Zmija

Welcome back Mike Hollingshead!

For Your Daybook

Wed. Nov. 5

Sat. Nov. 22

SWCS meeting

Waterloo Coin Society Coin Show

(...and remember to fill out those interest surveys we sent you with the last bulletin. These will help us in planning for meetings and auctions and if you choose there is no need to put your name or address on them...)

Auction List For Wednesday November 5th 1997.

<u>LOT</u>	<u>DESCRIPTION</u>	<u>EST.</u>	<u>RES</u>
1.	CANADA: 50 cents 1969,1974,1976,1979&1997 (5pcs)	\$ 7.50	\$ 3.75
2.	CANADA: 50 cents 1969,1984,1985,1991&1997 (5pcs)	\$ 7.50	\$ 3.75
3.	CANADA: 50 cent silver 1966	\$ 3.50	\$ 1.75
4.	CANADA: Silver Dollar 1964	\$ 7.50	\$ 3.75
5.	CANADA: Silver Dollar 1965 type 1	\$ 7.50	\$ 3.75
6.	CANADA: Silver Dollar 1966	\$ 7.50	\$ 3.75
7.	CANADA: Silver Dollar 1967	\$ 7.50	\$ 3.75
8.	CANADA: Silver Dollar 1959	\$11.00	\$ 5.50
9.	CANADA: Nickel Dollars 1969,71,72,78,79&1982	\$12.00	\$ 6.00
10.	CANADA: 50 CENTS 1995 <u>MINT ROLL</u>	\$??.??	\$15.00
11.	CANADA: 25 cent 1941	\$40.00	\$20.00

COIN CLUB MEDALS

12.	Toronto Coin Club 1971: 35th Anniversary	\$20.00	\$10.00
13.	1970 Wyoming,1971 Allentown,1983 F.U.N. Conv.	\$15.00	\$ 7.50
14.	1968 Penn-Ohio,1967 Reading, 1987 F.U.N. Conv.	\$15.00	\$ 7.50
15.	1965 Reading, 1964 Harrisburg, 1990 F.U.N. Conv.	\$15.00	\$ 7.50
16.	1965 York, 1967 Lehigh Valley, 1989 F.U.N. Conv.	\$15.00	\$ 7.50
17.	WEST CHESTER PENN. 175th Anniversary 1799-1974 1 SILVER 1 BRONZE In Capital Plastics Holder	\$25.00	\$12.50
18.	Buffalo Numismatic Association 1936,1944,1967,1968/72	\$24.00	\$ 9.50

TOKENS AND MEDALS

19.	Scottish Communion Token 1864 (white metal)	\$30.00	\$15.00
20.	25th Anniv. Numismatic Society Montreal (Breton#170)	\$45.00	\$22.00
